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SELIKE I OFFICE OF THE SECRETARY OF DEFENSE WASHINGTON 31, D.C.

2 October 1962

MEMORANDUM FOR THE RECORD

This morning h.r. Gilpatric de-briefed me on the results of has meeting at the White House on Cuban trade and asked that ! pass the following along to ISA. The subject of the meeting was a draft memorandum for the President submitted by the Department of State on policy toward non-Bloc ships in Cuban trade. The consensus of the group was that the actions recommended in A-1 thru A-4 plus Alternative IV of A-5 should be submitted to the President. Second, the timing on the recommendation including publication of the statement and actions should be considered in reference to our talks with our NATO allies on Cuban trade and with the OAS Foreign Ministers. Also to be considered is the Ball appointment to the Kitchen Committee. Third, we should recognize that none of these or any other actions not adopted have any real substantive effect on cutting down Soviet Bloc trade with Cuba. Denial of bunkerage at U.S. ports or other sanctions will not stop the Seviets from using their own vessels in Cuban trade. All the Soviets have to do is to shift the Cuban trade to their own bottoms and use Free World chartered ships in non-Cuban trade. The effects of any action will be primarily psychological and political. We should have some effect on the South American countries and our NATO allies; however, the best political effect will accrue in the United States which is why we recommended the President go ahead.

Have ISA look into the possibilities of negotiating with the British a US/UK agreement which would deny facilities to ships in the Cuban trade if they are carrying strategic materials for Cuba. However, even here Mr. Gilpatric does not believe that such action would have much effect.

With respect to recommended action in A-2, Mr. Gilpatric wants looked into the possibilities of retaliatory actions that would hurt us in shipping U.S. or other arms to South Vietnam or other

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countries. In the case of U.S. arms, he feels that probably most of this is shipped by Naval or ASTS vessels; however, shipment of AAP equipment might be affected. If we close our poist to ships of a country engaged in trade with Cuba, what effect would their denial of ports to U.S. be, particularly with respect to carrying arms?

Air transportation was specifically excluded from the discussion this morning. The U.S. wants to encourage air cargo, particularly out of Cuba and we recognize that little heavy equipment or other supplies will be moved in by air.

Departments of Treasury and Commerce would be charged with enforcing these actions. Two enforcement methods were noted:

(a) Certification to agencies and (b) Government black list.

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Captain, USN
Military Assistant

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